



## **Finance, Revenue, and Bonding Committee**

**March 3, 2022**

Good afternoon Chairman Fonfara, Chairman Scanlon, ranking members, and members of the Finance, Revenue, and Bonding Committee. My name is Zak Leavy and I am a legislative and political associate director for AFSCME Council 4, a union representing 29,000 public and private employees across Connecticut. We are also a member of the Recovery for All Coalition which represents community, faith, and labor organizations. I am submitting testimony in favor of SB 21, SB 28, and SB 29.

Connecticut has the unfortunate moniker of being a leader in income inequality among states. We have a tax system that disproportionately benefits top income earners and the wealthiest in our state while continuing to put burdens on working families. SB 21, SB 28, and SB 29 is a good step towards making our state fairer.

SB 21 would establish a statewide property tax on homes with an assessed value of 1.2 million or more. These funds would then be used for special education costs and school desegregation initiatives. This type of revenue would help bring equity across communities where education can be vastly different based on what town its in. This is also a fair property tax that would impact residents who have mansions and bring in roughly \$86 million annually.

SB 28 would establish a 1% surcharge on capital gains earnings for households earning over \$1 million and individuals who earn \$500,000 a year. This is a fair tax that would only impact the wealthiest individuals in our state. Since the start of the pandemic, Connecticut's billionaires have added billions in additional wealth while working families were on the frontlines or had their economic security threatened. This surcharge is long overdue for bringing fairness to Connecticut's tax system.

SB 29 would permanently expand the Earned Income Tax Credit from 30.5% to 41.5% which would provide economic relief to households with low incomes. This proposal would also allow families to have more economic security and improve household spending. This increase would have a cost that would be more than matched by the economic dollars it generates in the economy.

I strongly urge the committee to support these proposals and to consider further proposals from the Recovery for All coalition that would help bring equity to our tax system and relief to working families.